GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:79
ANSWERED ON:23.11.2000
REDUCTION OF SALE TAX ON PETROLEUM PRODUCTS
MALYALA RAJAIAH;RENUKA CHOWDHURY

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the response from different State Governments to the Central Governments` proposal to cut down sales tax on petroleum products;

(b) whether most of the State Governments have raised objections thereto; and

(c) if so, the reaction of the Government thereto?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK))

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO.79 FOR 2
2000 REGARDING REDUCTION OF SALE TAX ON PETROLEUM PRODUCTS

(a): Whenever basic prices are increased, the ad valorem rates of sales taxes have a cascading effect on retail selling prices. It has been suggested to all the Chief Ministers to suitably adjust the sales tax rates so as to neutralize the impact of ad valorem sales tax levy on the consumer prices when the basic prices are increased.

(b): No, Sir.

(c): Does not arise in view of (b) above.